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FEDERAL MARITIME COMMISSION

HÖEGH/FARRELL SPACE CHARTER AND  
COOPERATIVE WORKING AGREEMENT

FMC AGREEMENT NO. 012179

A SPACE CHARTER AND COOPERATIVE WORKING AGREEMENT

Expiration Date: September 30, 2015

Date of Last Republication: None



Höegh/Farrell Space Charter and Cooperative  
Working Agreement  
FMC Agreement No. 012179

TABLE OF CONTENTS

<u>Article</u>		<u>Page</u>
Article 1	Name.....	1
Article 2.	Purpose.....	1
Article 3.	Parties.....	1
Article 4.	Geographic Scope.....	1
Article 5.	Agreement Authority .....	2
Article 6.	Administration and Delegations of Authority .....	5
Article 7.	Membership and Withdrawal.....	5
Article 8.	Voting .....	6
Article 9.	Duration and Termination.....	6
Article 10.	Applicable Law and Dispute Resolution.....	6
Article 11.	Miscellaneous.....	7
Signature Page		

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Höegh/Farrell Space Charter and Cooperative  
Working Agreement  
FMC Agreement No. 012179  
Substitute Original Page No. 1

Article 1. Name

This agreement shall be known as the Höegh/Farrell Space Charter and Cooperative Working Agreement (the "Agreement").

Article 2. Purpose

The purpose of this Agreement is to authorize Höegh to charter space to Farrell in the Trade (as hereinafter defined) and to authorize the parties to engage in a limited range of cooperative activities in connection with the chartering of such space.

Article 3. Parties

The parties to this Agreement are:

1. Höegh Autoliners AS ("Höegh")  
Drammensveien 134, 0277  
Oslo, Norway
2. Farrell Lines Incorporated ("Farrell")  
1 Commercial Place  
20<sup>th</sup> Floor  
Norfolk, VA 23510-2103

Article 4. Geographic Scope

This Agreement shall cover the trade between all ports in the U.S. and all countries worldwide (the "Trade").

Article 5. Agreement Authority

5.1 This Agreement covers (a) U.S. government-impelled cargo subject to the Military Cargo Preference Act of 1904 (hereinafter "Military Cargo") and (b) other U.S. government agency cargo and other U.S. government impelled civilian cargo ("U.S. Government-Impelled Cargo").

5.2 Höegh is authorized to charter space to Farrell on an "as needed/as available" basis on U.S.-flag vessels owned or chartered by it for such charter hire (expressed either as a fixed sum or as a percentage of freight) and on such other terms and conditions as the parties may agree from time to time, for the movement of Military Cargo in the Trade.

5.3 The vessel(s) shall operate in Höegh's ocean carrier services, as determined by Höegh. The parties are authorized to discuss the route(s) of the vessels(s) as appropriate and Höegh will keep Farrell reasonably informed of the upcoming schedule(s) of the vessel(s).

5.4 Farrell may request that any vessel transporting cargo covered by Article 5.1 hereof call at or shift to any particular dock, wharf or other place. Höegh shall agree to such request if, in its exclusive judgment, such vessel may safely call at and depart from such dock, wharf or other place. The responsibility for the additional cost, if any, of such call or shift, shall be as agreed by the parties from time to time.

5.5 Either party shall, upon request of the other, provide or cause to be provided (by an affiliate or a third party), ancillary services with respect to Military Cargo moving hereunder including, but not limited to, coordinating with and/or supervising local agents and providers of logistics services, U.S. and/or foreign inland transportation, security, warehousing, supercargo, cargo planning, cargo tracking and reporting, bar coding/labeling, customs import and export services and documentation, tarping, cargo inspections and surveys, and cargo washing services. The compensation for such services shall be agreed by the parties from time to time.

5.6 The parties may cooperate with respect to the marketing of one or more U.S.-flag vessels owned by or chartered to Höegh; provided, however, that nothing herein authorizes the parties to agree on the rates to be proposed for the transportation of Military Cargo or U.S. Government-Impelled Cargo. Farrell and one or more of its affiliates may refer U.S. Government-Impelled Cargo to Höegh or one of its affiliates for carriage under the bill of lading of Höegh or its affiliate, for which Farrell or its affiliates may be compensated by Höegh or its affiliate on such terms as the parties may agree from time to time. The affiliates referenced in this Article 5.6 are identified in Appendix A to this Agreement, and it is understood that the references to such affiliates herein do not confer antitrust immunity under Section 7 of the Shipping Act (46 U.S.C. §40307) on said affiliates; provided, however, that nothing herein shall limit such antitrust immunity as may apply.

Höegh/Farrell Space Charter and Cooperative  
Working Agreement  
FMC Agreement No. 012179  
Original Page No. 3a

5.7 The parties are authorized to discuss and agree on the terms of their respective bills of lading and on the handling and carriage of dangerous, hazardous and/or noxious commodities.

5.8 To facilitate efficient operations under this Agreement, the parties are authorized to discuss and agree upon the timing of the provision of space; procedures for booking space, for documentation, for special cargo handling

instructions or requirements, and for other administrative matters relating to chartering and transportation provided under this Agreement.

5.9 The parties are authorized to discuss and agree upon arrangements for the use of terminals in connection with the chartering of space hereunder, including entering into exclusive, preferential, or cooperative working arrangements with marine terminal operators and other persons relating to marine terminal, stevedoring or other shoreside services. However, nothing in this Agreement shall authorize the parties jointly to operate a marine terminal in the United States.

5.10 The parties are authorized to exchange information on any matter within the scope of this Agreement and to reach agreement on any and all administrative and operational functions related hereto including, but not limited to, forecasting, terminal operations, stowage planning, insurance, liability, cargo claims, indemnities, stowaways and smuggling, failure to perform and force majeure.

5.11 The parties are authorized to enter into agreements concerning routine operational or administrative matters to implement the Agreement. Any such further agreement not exempt from filing under 46 C.F.R. §535.408 may not go into effect unless filed and effective under the Shipping Act of 1984, as amended.

Article 6. Administration and Delegations of Authority

6.1 This Agreement shall be administered and implemented by such meetings, decisions, memoranda, and communications between any authorized representatives of the parties to enable them to effectuate the purposes of this Agreement.

6.2 The following individuals shall have the authority to file this Agreement and any modification to this Agreement with the Federal Maritime Commission, as well as the authority to delegate the same:

- (a) Any authorized officer or representative of each of the parties; or
- (b) Legal counsel for either of the parties.

Article 7. Membership and Withdrawal

7.1 New parties to this Agreement may be added only upon the unanimous consent of the parties. The addition of any new party to this Agreement shall become effective after an amendment noticing its admission has been filed with the Federal Maritime Commission and become effective under the Shipping Act of 1984, as amended.

7.2 Either party may terminate this Agreement upon not less than thirty (30) days advance written notice to the other party. Any notice of termination shall be sent to the address set forth in Article 3 hereof.



7.3 The parties will promptly notify the Federal Maritime Commission of any withdrawal pursuant to this Article or of the termination of the Agreement.

Article 8. Voting

Actions taken pursuant to, or any amendments or modifications of, this Agreement shall be by unanimous consent of the parties.

Article 9. Effective Date, Duration and Termination

9.1 This Agreement shall go into effect on the date it becomes effective under the Shipping Act of 1984, as amended.

9.2 This Agreement shall remain in effect until terminated by unanimous consent of the parties or by a single party pursuant to Article 7.2, or September 30, 2015, whichever is earliest.

Article 10. Applicable Law and Dispute Resolution

10.1 All disputes arising out of this Agreement shall be arbitrated in New York under the general maritime law of the United States or the laws of the State of New York, as applicable. One arbitrator is to be appointed by each of the parties and a third by the two so chosen. Their decision or that of any two of them shall be final and for the purposes of enforcing any award, may be made a rule of the court. The arbitrators shall be attorneys conversant with shipping matters. The arbitration is to be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc. For disputes where the total

amount claimed by either party does not exceed US\$250,000, the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitration, Inc.

10.2 Nothing herein shall prevent a party from seeking provisional equitable relief in the form of a temporary restraining order, preliminary injunction, or such other temporary emergency relief. Neither an application for temporary emergency relief, nor a court's consideration or granting of such relief shall constitute a waiver of the right to pursue arbitration or delay the appointment of an arbitrator or the progress of arbitration proceedings.

10.3 The arbitrators shall be empowered to award attorneys' fees and costs to the prevailing party in the arbitration, but shall not be empowered to award any consequential, punitive or exemplary damages. Any awards rendered under this Agreement shall be treated as confidential and withheld from publication to the extent permitted by law. Any such award shall be enforceable pursuant to the United States Federal Arbitration Act.

10.4 In the event a party appeals from the final decision of the arbitrators, the prevailing party in the appeal shall be entitled to attorneys' fees and other legal costs from the non-prevailing party.

#### Article 11. Miscellaneous

11.1 This Agreement is non-exclusive, and nothing herein restricts either party from entering into similar arrangements in the Trade or elsewhere.

11.2 No party may assign or transfer its rights hereunder without the prior written approval of the other party. This Agreement shall be binding on the successors and permitted assigns of the parties hereto as if such successors and permitted assigns were original parties hereto. This Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties hereto.


11.3 This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together will constitute one and the same Agreement.

Höegh/Farrell Space Charter and Cooperative  
Working Agreement  
FMC Agreement No. 012179

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto have caused this Agreement  
to be executed by their duly authorized representatives as of this 26 day of  
June, 2012.

HÖEGH AUTOLINERS AS

By: \_\_\_\_\_

Name: ROAR FLOM

Title: CFO

FARRELL LINES INCORPORATED

By: \_\_\_\_\_

Name: Michael A. Hopkins

Title: General Counsel, SVP

Höegh/Farrell Space Charter and Cooperative  
Working Agreement  
FMC Agreement No. 012179

Appendix A -- Affiliates Referenced in Article 5.6

1. Affiliate(s) of Farrell:

Maersk Line, Limited

2. Affiliate(s) of Höegh:

Alliance Navigation LLC